Annual Report

2001/2002

INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

"Linking Learning and Work"

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Minister of Advanced Education, responsible for the Industry Training and Apprenticeship Commission

I am pleased to present the Industry Training and Apprenticeship Commission's 2001/02 Annual Report.

This has been a year of transition in terms of how we approach education and training in British Columbia, particularly industry training and apprenticeship.

Industry training and apprenticeship is critical to producing the skilled workers required to meet the needs of industry and our economy.

In 2001, government undertook a Core Services Review of all of its activities, including those performed by the Ministry of Advanced Education and ITAC. The review process considered whether or not government's activities were essential, and if so, whether or not they were being carried out as effectively and efficiently as possible.

Out of the review process came five strategic shifts for the Ministry of Advanced Education, including:

- More choice for students
- More accountability to taxpayers
- Better alignment between costs and benefits
- Better links to the public interest and the economy
- Coherent and integrated public system.

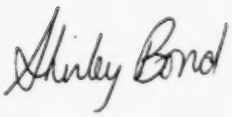
Theses five strategic shifts, coupled with the review of ITAC, determined that significant changes were required to ensure British Columbia has a flexible industry training system that is responsive to employer needs and addresses skill shortages.

As a result, government has decided to phase out ITAC by the Spring of 2003 and implement a new approach to industry training and apprenticeship for British Columbia. Our challenge in developing a new system is to ensure that British Columbians have the skills they need to compete in the new economy, that industry has sufficient numbers of qualified workers to address current and future skills shortages and that taxpayer dollars are utilized as efficiently as possible.

In order to ensure the new approach is flexible, efficient and responsive to industry needs, a Transition Advisory Committee comprising industry representatives has been

established to provide advice and recommendations to government on implementation, including a new governance model.

Although getting from where we are to where we need to be requires some difficult decisions, I am very optimistic about the future of industry training and apprenticeship. Our new approach will better meet the needs of apprentices, trainees, industry, employers and communities and help position British Columbia for economic recovery and prosperity.



Shirley Bond
Minister of Advanced Education

Organization Overview

Introduction

This Annual Report outlines the Industry Training and Apprenticeship Commission's (ITAC) performance for fiscal 2001/02.

As a result of government's Core Services Review of the Commission, the government announced on January 17, 2002 the intent to wind up the affairs of the Industry Training and Apprenticeship Commission. Subsequent to the year end, the Industry Training and Apprenticeship Act was amended, providing for the appointment of a transitional board of one member to administer the winding up activities and the transfer of assets and liabilities of the Commission on the direction of the Minister. It is anticipated that all Industry Training and Apprenticeship Commission Offices will close by the spring of 2003.

This annual report will describe activities that were delivered during a year of transition and re-structuring, but will focus primarily on the structure and program activities that were in place for the majority of the fiscal year.

Background and Structure

Background

ITAC is an agency of the provincial government, created with the introduction of the Industry Training and Apprenticeship Act (the *Act*) in 1997, and founded on a legislative authority to provide and promote a vision of industry training and apprenticeship for the future that benefits employers, workers, learners, industries and the B.C. economy. ITAC was intended to be a four-cornered partnership of business, labour, education/training, and government, all of which were represented on the ITAC Board.

ITAC was given broad decision-making authority including to: designate trades and occupations; establish and grant credentials for trade qualifications; develop training programs; establish advisory committees; establish by-laws and make other decisions necessary to realize the founding vision.

Vision, Values and Mandate

Vision

A dynamic industry training and apprenticeship system which contributes to the competitiveness of the BC economy by ensuring a highly skilled and well-trained workforce for the province.

Operating Principles and Values

ITAC has adopted the following principles or values:

- Relevance.
- Accessibility.
- Closer to home.
- Responsiveness.
- Accountability.
- Optimal utilization and efficiency.

Mandate

The mandate of ITAC, under the Industry Training and Apprenticeship Act, 1997 is:

1. To create an industry driven training and apprenticeship system that is relevant, accessible and responsive to industry needs.
2. To identify, monitor and assess the needs of the labour market for skilled persons.
3. To expand the number of skilled persons in designated trades and occupations to meet labour market needs.
4. To increase the proportion of members of under-represented groups in designated trades and occupations.
5. To integrate education and training systems to improve school to work transitions.
6. To promote continuous skills upgrading, lifelong learning and certification.
7. To develop and expand a system of recognized credentials for designated trades and occupations that promote laddering, portability, mobility and transfer-ability and that recognize provincial, national and international occupational standards.
8. To ensure the efficient and effective use of resources through the coordination and integration of industry training and apprenticeship programs.
9. To carry out other duties that the Lieutenant Governor in Council specified by regulation.

In carrying out its mandate, ITAC consults with communities of interest in the industry training and apprenticeship system including groups of persons who are under-represented in designated trades and occupations.

The ITAC vision was to create a dynamic industry training and apprenticeship system, which contributed to the competitiveness of the BC economy by ensuring a highly skilled and well-trained workforce for the province. ITAC's efforts have helped to ensure that British Columbia develops the skilled trade and technical workers needed to keep the province on the forefront of economic and personal growth and prosperity.

ITAC's Board of Directors have identified four strategic priorities:

Strategic Priorities

Promotion and awareness of trades and technical careers and training	It is critically important for ITAC to increase awareness among: 1) K to12 students and youth, and those who influence them such as peers, parents, teachers and media; and 2) among industries and employers.
Responding to high technology and other growth sectors	ITAC needs to respond to the opportunities and needs in the high technology sector, as part of a broader strategy of responding to the needs of growing sectors of the economy where training, new designations and new kinds of credentials can address skills shortages.
Flexible delivery and flexible program and service delivery	ITAC needs to develop more flexible, responsive training through new delivery methods and curriculum revision. Internally, the Commission needs to speed up decision cycles, update business practises and respond quickly to trends and opportunities.
Funding	ITAC needs to capture a larger share of government funding but also to reduce exclusive reliance on government funding by pursuing alternate funding options and cost-efficiencies.

These priorities along with the fundamentals of apprenticeship rest on a province-wide training network of diverse programs which blend supervised on-the-job experience with technical or theoretical institutional instruction. Individually, those programs range over a variety of work-based learning situations — from giving secondary school students their first such opportunities to qualifying apprentices for designated trades, to upgrading the skills of experienced workers.

All of this depends on partnerships. ITAC makes the system work by bringing together individual employers, unions and public and private educational institutions across the province.

ITAC had a staff of 97 full-time equivalents as of March 31, 2002. The Chief Executive Officer led administration and was accountable to the Board. The staff was organized into five functional units: Operations, Policy and Planning, Finance and Administration, Marketing and Communications and the Chief Executive Officer's office. Executive staff were located in a corporate office in Burnaby and field staff located in 15 offices around the province.

Message from the CEO

This report marks ITAC's fourth full year of operation, and also a year of significant transition. On January 17th 2002, as a result of the provincial government's Core Review process, it was announced that the Industry Training and Apprenticeship Commission is to be disbanded by the spring of 2003.

While this annual report is focused on fiscal 2001/2002, this is also a time to reflect on ITAC's accomplishments since its inception in 1997. One particular benchmark to note is that the number of individual training clients has increased 35%, from 19,800 in 1997/1998 to more than 26,700 in 2001/2002. Also, the number of apprenticeships continued to grow, reaching 16,341 registrants, an increase of 12% since it's inception in 1997.

During the first half of fiscal 2001/2002, ITAC was well on its way to reaching and exceeding the targets and strategic priorities established by the Board of Directors. Unfortunately, perhaps related to the uncertainty surrounding the core review or the decision to wind down ITAC, the last quarter of the fiscal year showed a downward trend in some of our program areas and a few individual performance targets fell short.

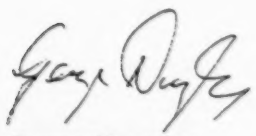
On the positive side, the year's successes included:

- a substantial increase in training for apprentices, under-represented groups and other trainees;
- an expansion of training spaces into high growth sectors,
- the development of a flexible delivery strategy,
- a new youth strategy centred on the youth oriented web site (www.learnandearn.bc.ca) and new youth promotional materials.

Throughout the past year, Commission staff continued to work to improve the access to, and flexibility of, the apprenticeship system and ensured the highest quality of client service and expertise.

I wish to thank ITAC staff for their continuing commitment and professionalism in support of our goals and clients, even during a challenging period of transition. Our accomplishments during the past year were a reflection of their dedication and hard work.

I would also like to thank the members of the ITAC Board of Directors for their support of ITAC staff, as well as to thank our industry advisory committees, business and labour partners, education and training providers and all other stakeholders of ITAC for their support over the past four years.



George Douglas
Chief Executive Officer

The Year in Review

Overview of ITAC activities and achievements

In the 2001/2002 fiscal year, the Industry Training and Apprenticeship Commission (ITAC) invested $83 million of public funds on work-based training programs in support of the skills development goals established in the statute. More than 8,000 employers, public community colleges and institutes, and numerous other organizations participated in the programs ITAC sponsored. These programs benefited approximately 27,000 individuals who sought training and employment opportunities for their career preparation or required ITAC's expertise in apprentice services and examination administration, certification and other customer services.

Program Activity

Entry Level Trades Training Public college and institute programs providing basic theoretical and practical knowledge as pre-employment or pre-apprenticeship training for various trades	**2001-2002** 6,210 students	**2000-2001** 5,646 students	**1999-2000** 5,513 students
Apprenticeship Technical Training A combination of on-the-job training with individual employers and in-school technical instruction that leads to certification in designated trades, occupations or crafts. These programs are delivered by private and public institutions, primarily the latter.	**2001-2002** 11,533 apprentices	**2000-2001** 12,448 apprentices	**1999-2000** 12,762 apprentices
Secondary School Apprenticeship Work-based training for young people while they continue their high school studies	**2001-2002** 1,000 students	**2000-2001** 675 students	**1999-2000** 498 students
Skills Upgrading Programs allowing workers already certified in specific trades or occupations to upgrade for new methods and technologies	**2001-2002** 2,390 workers	**2000-2001** 4,671 workers	**1999-2000** 2,377 workers
Under-Represented Groups Projects undertaken with business, labour and education to bring the proportion of work-based training held by under-represented groups — women, aboriginal people, visible minorities and others — in line with their share of the provincial population	**2001-2002** 680 participants	**2000-2001** 409 participants	**1999-2000** 289 participants
OVERALL FISCAL-YEAR TOTALS All training categories combined and participants receiving on the job training	**2001-2002** 26,771 participants	**2000-2001** 25,687 participants	**1999-2000** 23,037 participants

- Increases in trades and technical training opportunities (to almost 27,000).
- An increase of over 1,050 training spaces across all ITAC program areas.
- An increase in registered apprentices – to a ten-year high of 16,341 by March 31, 2002.
- Approval of eight new designations (e.g. Private Investigator, Chef de Cuisine, Horse Logger, Retail Sales Associate, Information Technology Support Associate, Small Business Associate, Excavator Operator and Small Business Information Technology Specialist).
- Co-funded an on-line hydraulics-training model with the OLT, a branch of the federal government.
- Expansion of Secondary School Apprenticeship program – to 1,000 students, a 48% increase.
- Development of a flexible delivery strategy.
- Continual growth of industry training partnerships in all sectors.
- Completion of a new youth focused web site.
- Sponsorship of and participation in 7th annual Skills Canada competitions.

Accomplishments in Administrative and Program Areas

Administrative

The Finance and Administration Branch provided and coordinated financial, human resource, facilities, systems and contract management services to support the organization in meeting its strategic goals. Recent accomplishments were:

- Established employee recognition: the 'STAR' program
- Completed development of a comprehensive Human Resource Plan
- Established Information Systems Steering Committee
- Developed and approved Information Systems Plan
- Enhanced Trade Advisory Committee database
- Completed Microsoft Office 2000 rollout
- Streamlined contract process for regional administrators and ITAC headquarters

Programs

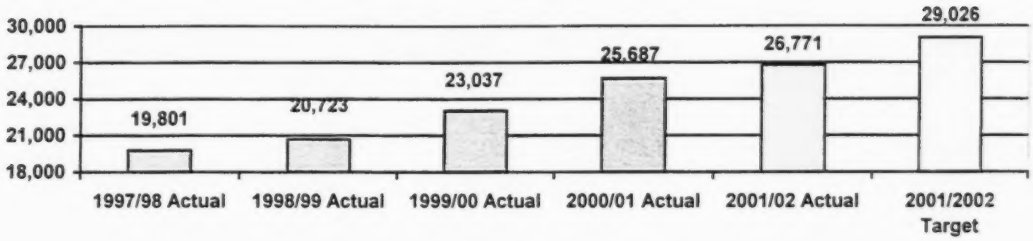
The skill and knowledge that apprentices, students and workers gain from ITAC training depended on the efforts of Commission staff and dozens of advisory committees made up of volunteers primarily from business, labour, education and government. During 2001/2002, their work included:

- Competency Profile Charts for auto service technician, boilermaker, chef de cuisine, dairy farm technician, excavator operator, machinist, mason, millwright, and yacht builder.
- Program Outlines for carpentry, chef de cuisine, commercial transport, dairy farm technician, excavator operator, floorcover, heavy-duty mechanic, inboard/outboard mechanic, painter/decorator (industrial) piledriver, plumber and yacht builder.
- Curriculum Development blueprint for industrial engines and equipment along with learning guides for carpentry, commercial transport, cook, cosmetologist, lumber manufacturing industry saw trades, metal fabricator, planermill technician and winder electrician.
- Certificate of Qualification development for excavator operator and a revision for the security alarm installer.
- Supported funding for Career Technical Centres. Programs continue to grow and are now operating in three centres across the province. Programs interface with local community colleges and cover a wide range of ITAC trades and program areas.
- As a part of the Canadian Council of Directors of Apprenticeship, ITAC supported and participated in the development and administration of interprovincial trade designations, the development and maintenance of national exam banks, and translation workshops. ITAC held an exam item bank workshop for bricklayer and translation and validation of the inter-provincial standards examination (IPSE) for automotive partsperson.
- Developing e-learning programs in hydraulics and barber. Exploring the potential for delivering training via e-learning in a technical environment that will act as a proving ground for alternative delivery in the trade's field. Negotiating the possibility of indenturing a British Columbian plumbing class to Nova Scotia via e-learning. These programs are cost-shared with public sector partners across the province.
- Implemented five pilot projects designed to enhance access of persons with disabilities into trade and technical occupations.
- Hosted Trade Advisory Committees, brought together representatives from 64 trade advisory committees for a one-day workshop to discuss the future of trades training, the impact of demographic changes and to explore future options for delivery of trades training.

Performance Plan

In response to the requirements set out in the new *Budget Transparency and Accountability Act*, ITAC submitted its Performance Plan on April 30th 2001. This Plan outlines the Commission's mandate, vision, operating principles and values that underpin our programs and activities. The Plan also outlines strategic objectives, strategies and targets that ITAC will focus on for the period 2001/02 - 2003/04, and how ITAC will account for its performance.

Actual and Targeted Training Spaces 1997/98 to 2000/01



In fiscal 2001/02, ITAC exceeded the previous fiscal year's goals; however, was not able to attain its 2001/02 targeted training spaces. The inability to achieve these targets may have been as a result of the uncertainty of the Core Review and the decision to wind down ITAC.

Office of the Chair
Suite 220, 4946 Canada Way
Burnaby BC V5G 4J6
Telephone: (604) 660-3603
Facsimile: (604) 660-3285

INDUSTRY TRAINING AND APRENTICESHIP COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Industry Training and Apprenticeship Commission have been prepared by management in accordance with generally accepted accounting principles. The financial statements present fairly the financial position of the Commission as at March 31, 2002, and the results of its operations and the changes in its financial position for the year ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records are properly maintained to facilitate the preparation of reliable financial statements in a timely manner.

The Auditor General of British Columbia has performed an independent audit of the Industry Training and Apprenticeship Commission. The Auditor's Report outlines the scope of this independent audit and expresses an opinion of the financial statements of the Industry Training and Apprenticeship Commission.

Gerry Armstrong
Chair
June 3, 2002

Report of the Auditor General of British Columbia

To the Members of the Board of Directors
of the Industry Training and Apprenticeship Commission, and

To the Minister of Advanced Education,
Province of British Columbia:

I have audited the balance sheet of the *Industry Training and Apprenticeship Commission* as at March 31, 2002 and the statements of revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Industry Training and Apprenticeship Commission* as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Victoria, British Columbia
May 17, 2002

Wayne Strelioff, CA
Auditor General

INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

BALANCE SHEET
AS AT MARCH 31, 2002

	2002	2001
Assets		
Balance in the Special Account (Note 4)	$ 4,907,264	$ 3,792,802
Accounts Receivable	1,872,342	10,106
Prepaid Expenses	-	6,138
Capital Assets (Note 5)	534,442	800,372
	$ 7,314,048	$ 4,609,418
Liabilities		
Grants and Contributions Payable	$ 3,200,804	$ 814,829
Other Accounts Payable and Accrued Liabilities	251,421	216,265
Accrued Employee Leave Entitlements (Note 6)	340,635	400,015
Capital Lease	83,770	-
Deferred Capital Contributions (Note 7)	1,729,081	800,372
Accumulated Excess of Revenues over Expenses	1,708,337	2,377,937

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

Chair

INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Revenues		
Contributions from the Province (Note 10)	$ 81,189,186	$ 73,668,000
Other Contributions (Note 8)	1,814,871	-
Licenses and Permits	319,759	251,792
Amortization of Deferred Contributions	350,291	478,628
	83,674,107	74,398,420
Expenses		
Contributions to Industry Training and Apprenticeship Programs	71,733,591	64,103,859
Salaries and Benefits	6,778,157	6,023,636
Building Occupancy Charges (Note 10)	824,640	913,618
General Office and Business Expenses	380,537	455,343
Information Systems Operating Costs (Note 10)	695,724	615,946
Travel	441,625	483,897
Professional Services	268,957	159,090
Printing, Publications and Marketing	224,910	247,546
Trade Advisory Committees	805,442	282,516
Board Fees and Expenses	24,962	35,284
Depreciation	350,291	270,299
Wind Up Costs (Note 8)	1,814,871	-
	84,343,707	73,591,034
(Deficiency) Excess of Revenues over Expenses For the Year	(669,600)	807,386
Accumulated Excess of Revenues over Expenses, Beginning of Year	2,377,937	1,474,877
Accounting Change (Note 12)	-	95,674
Accumulated Excess of Revenues over Expenses, End of Year	$ 1,708,337	$ 2,377,937

The accompanying notes are an integral part of these financial statements.

INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Cash Equivalents Provided by Operating Activities		
(Deficiency) Excess of Revenues over Expenses for the year	$ (669,600)	$ 807,386
Items not affecting Cash Equivalents		
Amortization of Deferred Capital Contributions	(350,291)	(478,628)
Depreciation	350,291	270,299
(Increase) in Accounts Receivable	(1,862,236)	(6,165)
Decrease (Increase) in Prepaid Expenses	6,138	(5,926)
Increase in Grants and Contributions Payable	2,385,975	316,628
Increase in Other Accounts Payable and Accrued Liabilities	35,156	114,339
(Decrease) Increase in Accrued Employee Leave Entitlements	(59,380)	15,035
	(163,947)	1,032,968
Cash Equivalents Provided by Financing Activities		
Deferred Capital Contribution Received	1,279,000	1,279,000
Capital Lease	83,770	-
	1,362,770	1,279,000
Cash Equivalents Used by Investing Activities		
Purchase of Capital Assets - Net	(84,361)	(550,241)
Increase in Cash Equivalents	1,114,462	1,761,727
Cash Equivalents, Beginning of Year	3,792,802	2,031,075
Cash Equivalents, End of Year	$ 4,907,264	$ 3,792,802
Represented by:		
Balance in the Special Account	$ 4,907,264	$ 3,792,802

The accompanying notes are an integral part of these financial statements.

INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 The Commission

The Industry Training and Apprenticeship Commission (the Commission) was established on November 28, 1997 as a corporation and agent of the Provincial government under the authority of the *Industry Training and Apprenticeship Act.*

The mandate of the Commission is to:

- create an industry driven training and apprenticeship system;
- identify, monitor and assess the needs of the British Columbia labour market for skilled persons;
- expand the number of skilled persons in designated trades and occupations;
- increase the proportion of under-represented groups in designated trades and occupations;
- integrate education and training systems to ensure a smooth transition from school to the workplace;
- promote and encourage continuous skills upgrading, learning and certification;
- develop and expand a system of provincially recognized credentials for designated trades and occupations; and
- ensure efficient and effective use of resources through the coordination and integration of industry training and apprenticeship programs.

Note 2 Wind Up Costs

As a result of government's Core Services Review of the Commission, the government announced on January 17, 2002 to wind up the affairs of the Industry Training and Apprenticeship Commission. Subsequent to the year end, the Industry Training and Apprenticeship Act was amended, providing for the appointment of a transitional board of one member to administer the winding up activities and the transfer of assets and liabilities of the Commission on the direction of the Minister. It is anticipated that all Industry Training and Apprenticeship Commission Offices will close by the spring of 2003.

Note 3 Significant Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Note 3 Significant Accounting Policies – continued

(b) Revenues and Expenses

Contributions received from the Province are recorded as revenue on an accrual basis. Capital funding provided by the Province is recorded as deferred contributions, and recognized as revenue, on the same basis as depreciation expense relating to the capital asset.

Contributions are recognized as expenses in the period that the events giving rise to the contribution occurred, as long as:

(i) payment has been authorized;
(ii) eligibility criteria, if any, have been met by the recipient; and
(iii) a reasonable estimate of the contribution can be made.

(c) Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over the estimated useful life of the assets as follows:

- Computer Hardware and Software - 3 years;
- System Development Work In Process - not depreciated until completed;
- Tenant Improvements - 5 years; and
- Vehicles - lesser of 7 years or term of lease.

Note 4 Balance in the Special Account

The *Industry Training and Apprenticeship Act* establishes the Industry Training and Apprenticeship Special Account in the general fund of the Province of British Columbia.

This Special Account consists of:

- money transferred from a vote;
- assessments made on employees or employers for the cost of maintaining an industry training or apprenticeship program;
- fees for services; and
- any other revenues received by the Commission.

Money may be paid out of the Special Account for projects or initiatives undertaken by the Commission, and for the costs of operating and administering the Commission. The Special Account balance includes the accumulated excess of revenues over expenses that may not be spent without additional Treasury Board approval.

INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 5 Capital Assets

	Cost	Accumulated Depreciation	Net Book Value
Computer Hardware and Software	$ 764,111	$ 521,045	$ 243,066
System Software Development In Progress	144,422	-	144,422
Tenant Improvements	81,821	19,092	62,729
Vehicles	145,525	61,300	84,225
	$ 1,135,879	$ 601,437	$ 534,442

As part of the wind up of the Commission, certain capital assets with net book value of $184,871 have been written off and included in the wind up costs in the Statement of Revenues and Expenses.

Note 6 Accrued Employee Leave Entitlements

The Commission is responsible for the leave entitlements earned by its employees including those that existed prior to its incorporation on November 28, 1997. The Balance in the Special Account includes a cash transfer made to provide for the latter liability.

III. Note 7 Deferred Capital Contributions

The balance is made up of the following:

	2002	2001
Capital Assets	$ 534,442	$ 800,372
Unspent Capital Funding	1,194,639	-
Total Deferred Capital Contributions	$ 1,729,081	$ 800,372

Changes in Deferred Capital Contributions are as follows:

	2002	2001
Balance, beginning of year	$ 800,372	$ -
Contributions received during the year	1,279,000	1,279,000
Amount amortized to revenue	(350,291)	(478,628)
Balance, end of year	$ 1,729,081	$ 800,372

IV. Note 8 Wind Up Costs

The wind up costs comprise:

Provisions for lease and contract terminations	$ 1,630,000
Capital assets written off	184,871
	$ 1,814,871

The lease and contract termination costs are to be funded by the Province. The above costs do not include employee severance costs which are charged against another appropriation in the Consolidated Revenue Fund. The severance costs applicable to the Commission are not readily determinable at this time, as they are considered to be covered by aggregated restructuring expense recorded in the Province's accounts.

Note 9 Employee Benefit Plans

The Commission and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The plan is a multi-employer defined benefit plan, and is administered by the British Columbia Pension Corporation on behalf of several public sector organizations.

Under this plan and other collective agreements, the Commission makes set contributions to provide for pension, health care and other retirement benefits to its employees. The Commission recognizes these contributions as the cost of providing employee benefits, and records them as an expense in the year when contribution payments are made. The Commission has adopted this method of accounting for employee future benefits since the plan administrator does not allocate underlying assets and liabilities of the plan to individual organizations participating in the plan.

The most recent actuarial valuation (March 31, 1999) has determined that the plan is in a surplus position. Effective January 1, 2001, the Public Service Pension Plan's management changed to a joint trusteeship whereby the management, risks and benefits are shared between the employers and employees. Previously, these matters were sole responsibility of the Province of British Columbia and its organizations.

V. **Note 10 Related Party Transactions**

(a) The Commission received $82,468,186 (2001 - $74,947,000) from the Ministry of Advanced Education. The operating component of $81,189,186 is reported in the Statement of Revenues and Expenses. The Commission uses these revenues to make contributions to industry training and apprenticeship programs at universities, colleges and training schools in British Columbia, and to fund the operations of the Commission. The capital component is $1,279,000 in the current year (2001 - $1,279,000). Deferred Capital Contributions of $1,729,081 (2001 - $800,372) are reported on the Balance Sheet.

(b) All office facilities are leased through the British Columbia Buildings Corporation. Total lease payments for the year ended March 31, 2002 were $824,640 (2001 - $913,618).

(c) The Ministry of Finance provides data processing services to the Commission. Total data processing costs for the year ended March 31, 2002 were $304,437 (2001 - $420,140).

VI.

Note 11 Donated Services

Services for finance and administration, human resources, information management, freedom of information and protection of privacy and communication are provided to the Commission by other ministries. These amounts are not readily quantifiable, so their value has not been included in the financial statements.

VII.

Note 12 Accounting Changes

2002

Vehicles were capitalized in 2001/02 as part of the phased-in approach to the capitalization of tangible capital assets. This change has no effect on the Deficiency of Revenues over Expenses.

2001

Office Furniture and Equipment were capitalized in 2000/01 as part of the phased-in approach to the capitalization of tangible capital assets. This change has the effect of increasing the Accumulated Excess of Revenues over Expenses at beginning of fiscal 2002 by $95,674 (cost of $137,776 less accumulated depreciation of $42,102) and the tangible capital assets by this amount.

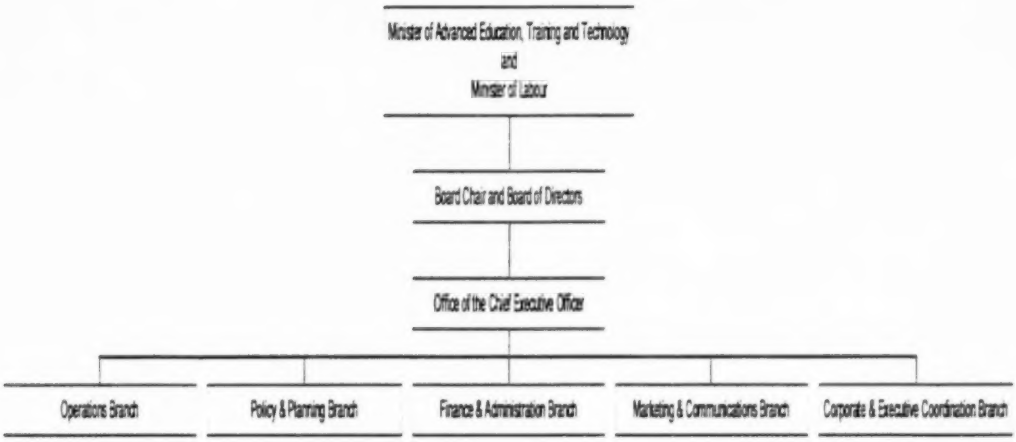
Note 13 Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. This change has no effect on the operating results.

Corporate Governance

Corporate Profile

The Commission was an industry-driven agency empowered to streamline the work-based training system, to find new ways of broadening access to apprenticeship and entry-level trades training, to create new, flexible industry training models, and to make training more responsive to employer, employee and labour market needs.


Minister of Advanced Education, Training and Technology
and
Minister of Labour
Board Chair and Board of Directors
Office of the Chief Executive Officer
Operations Branch
Policy & Planning Branch
Finance & Administration Branch
Marketing & Communications Branch
Corporate & Executive Coordination Branch

ITAC established a cohesive, integrated advisory structure to help achieve its mandate and strategic goals. In order to broaden the nature, type and scope of advice provided to the Board and staff, ITAC's advisory structure provided strategic policy and/or technical, operational advice and recommendations:

- **Trade Advisory Committees** – over 60 committees of representatives from business, labour, education and government.
- **Chairs Advisory Committee** -12 to16 Trade Advisory Committee Chairs, with equal representation from business and labour.
- **Program Advisory Committees** - post-secondary education and industry representatives, and provincial articulation committees.

Additionally, ITAC met with or held forums with industry groups and sectors on specific topics or priority policy issues.

ITAC provides service through contracts with public, private and not-for-profit educational and training institutions or agencies delivering training programs. In 2001/2002, ITAC delivered programs and services in partnership with 27 public and private training institutions in the post-secondary education and secondary school sectors.

and a host of other organizations. During this period, ITAC sponsored training and supported close to 27,000 individuals and training clients.

Board of Directors

The Lieutenant Governor in Council appoints the members of the governing board on the recommendation of the Minister under the *Act*. The Minister of Skills Development and Labour and the Minister of Advanced Education are jointly responsible for the administration of the *Act*. The Board consisted of not more than 25 appointed individuals representing business, labour, education and training, and government (see appendix B).

The Industry Training and Apprenticeship Act was amended, providing for the appointment of a transitional board to administer the winding up activities and the transfer of assets and liabilities of the Commission on the direction of the Minister. The appointments of all but two of the Directors were rescinded on January 16, 2002.

Standing Committees

The ITAC Board created six sub-committees: four standing committees and two task groups. They had the authority to recommend and, in some cases, approve Commission policies related to their terms of reference. These committees met regularly to address issues, develop policies and set strategic direction.

Planning and Priorities

The Planning and Priorities Standing Committee ensured Board governance policies and procedures were in place and followed, and when appropriate, reviewed and prioritized recommendations from other Standing Committees and Task Groups that have strategic and/or broad policy and/or broad financial implications for ITAC.

Credentials and Designations

The Credentials and Designations Standing Committee established and reviewed, on behalf of ITAC, the process for designating new trades and occupations. This included the requirements of Section 12 of the Industry Training and Apprenticeship Act to make recommendations to the Board regarding credentials issued to trainees or apprentices and to set standards or requirements for issuing credentials.

Finance and Administration

The Finance and Administration Standing Committee made recommendations to the full Board of the Commission regarding financial, administrative and budget matters. This committee was composed of Commission members only and ensured ITAC met its fiduciary responsibility under the *Act*.

Programs

The Programs Standing Committee recommended approval of an industry training or apprenticeship program for every trade and occupation designated under the *Act*. This included:

Task Group on Under-represented Groups

The promotion of equity and diversity was a priority for ITAC. Part of its mandate was to ensure that all British Columbians had access to the industry training and apprenticeship system. The Commission established a Task Group on Under-represented Groups (URG) to ensure that ITAC addressed equity and diversity issues. ITAC had doubled URG program funding since the Commission's first budget and a number of projects were funded to benefit under-represented groups.

Task Group on Promotions and Awareness

This Task Group made recommendations regarding promotions, marketing, awareness and communications.

APPENDIX A: Summary of Major Programs and Activities

Apprenticeship Technical Training

Apprenticeship is paid work-based training combined with post-secondary education. It involves being hired by an employer and apprenticing for two to five years, with one or two months of formal training at a post-secondary institute each year. Apprentices spend approximately 80% of their time learning their skills on the job (under the direction of a journeyperson) and the rest is spent learning in a classroom setting.

Entry Level Trades Training (ELTT)

ELTT courses are offered at post-secondary institutions across B.C. and usually last 6 to 8 months. In addition to developing technical skills, ELTT programs equip you with skills important in the workplace. These include teamwork, communication skills and safety awareness.

Industry-Based Training Programs

Industry-Based Training Programs are shorter programs, which lead to industry certification and entry level and intermediate skill-level jobs in trades and technical occupations. It involves a combination of formal learning at a high school, post-secondary institute or industry training centre and on-the-job training.

Program Development

Program Development is the development and maintenance of curriculum, learning resources, and exams (including entrance, slotting, term end and certification). Program Development considers the needs of stakeholder and advisory groups to be consulted. Also deals with Inter-Provincial Trades and Trade Qualification challenge processes. ITAC is in the process of creating on-line program development to address the need for a more flexible delivery strategy such as e-learning and internet/web delivery.

Secondary School Initiatives

Secondary School initiatives offer Grade 10-12 (or 15 years of age or older) students the opportunity to have work-based training experience. There are two initiatives: Secondary School Apprenticeship (SSA) and Secondary School ELTT. SSA registers eligible students as apprentices and provides them with the prescribed number of credits toward their trade certification upon completion. ITAC's role in SSA is to administer the apprenticeships and cost-share the $1,000 scholarships. Secondary School ELTT offers a training opportunity similar to that for the regular ELTT programs. It is offered through a partnership between local colleges and high schools, or through Career Technical Centres.

Skills Upgrading

This program provides funding for training to assist journey persons, other skilled workers and apprentices to upgrade their skills in a trade, or occupation. The program has two initiatives: funding for individual apprentices, journey persons and technical employees; and group funding administered through employers, industry associations, and union-employer joint boards.

Initiatives for Under-represented Groups

The program funds projects that facilitate the participation of members of under-represented groups in designated trades and occupations. Major target client groups include women, youth, aboriginal people, people with disabilities, and visible minorities.

APPENDIX B: Board of Directors

Hughes, David*	ITAC Vice Chair Sierra Systems Consultants Inc.
Bruce, Allan*	ITAC Vice Chair Operating Engineers Training Plan
Armstrong, Gerry	Ministry of Advanced Education, Training & Tech.
Benekritis, Bernice*	Workforce Effectiveness, TELUS Communications Inc.
Biln, Darcy*	International Brotherhood of Electrical Workers, Local 213
Bradford, Dan*	B.C. Government & Services Employees' Union
Davies, John*	Provincial Council of Carpenters
Doney, Lee	Ministry of Skills Development and Labour
Dryden, Lou*	North Island College
Kassam, Taj*	Sandman Hotels and Inns
Knittel, Werner*	Canadian Manufacturers & Exporters
Langan, Joy*	Communications, Energy & Paperworkers Union
Locke, Tom*	HUB Consulting Services
Love, Linda*	Malaspina University College
MacLeay, Murray*	B.C. Construction Assoc.
Oliver, Cindy*	College Institute Educators Assoc.
Quirk, Joanne*	International Alliance of Theatrical Stage Employees
Ruggles, Lori*	Telecommunications Workers Union
Sinclair, Kelly*	C/o UFCW Local 2000 Training Centre
Sourisseau, Paul*	Interior Forest Labour Relations Association
Startup, Mark*	Retail Merchants Association of B.C.
Tully, Betty*	Tully & Company Ltd.
Warren, Gary*	Canadian Auto Workers, Local 2301

*Term rescinded January 16, 2002

APPENDIX C: Names and Titles of the Industry Training and Apprenticeship Commission's Executive Staff

Kerry Jothen	Chief Executive Officer
George Douglas	Chief Executive Officer
George Douglas	Director, Operations
Ken Kelly	Director, Operations (Acting)
Shawn Mendes	Director, Policy & Partnership
Bill Walters	Director, Policy & Partnership (Acting)
Gery Lemon	Director, Marketing and Communications
Laura Harris	Director, Finance & Administration (Acting)
Craig Wilkinson	Director, Finance & Administration
Jim Cowan	Director, Finance & Administration (Acting)
Karen James	Manager, Corporate & Executive Coordination
Diane Douglas	Executive Administrative Assistant